

**Communications
Workers of America**
AFL-CIO
West Virginia Area

Huntington Square, Suite 1212
900 Lee Street
Charleston, West Virginia 25301
(304) 342-2023

.....



April 1, 2010

Marlene H. Dortch, Secretary
Federal Communications Commission
Office of the Secretary
445 12th Street, SW
Room TW-A325
Washington, DC 20554

RE: Transfer of Verizon's local exchange and long distance business to Frontier
Communications

Dear Secretary Dortch,

Attached are letters from Congressman Nick J. Rahall, West Virginia Attorney General Darrell V. McGraw, a number of significant community and civic organizations, and many concerned citizens of West Virginia.

Most of these letters of concern are strongly opposed to the proposed sale of Verizon's landlines to Frontier Communications and call on the West Virginia Public Service Commission to REJECT the Verizon/Frontier deal because it is not in the public interest.

A summary of all of the letters sent to the West Virginia Public Service Commission between June 30, 2009 and February 23, 2010 is attached.

Experts have testified and compelling evidence has been submitted that the proposed sale is not in the public interest.

Opinion surveys, letters from West Virginia Senators and Delegates, public petitions and these letters sent to the Public Service Commission show that the public is overwhelmingly opposed to the deal. It's obvious to everyone that approving this transaction is too risky because the dangers far outweigh any purported public interest benefits. Once again, we urge the Federal Communications Commission not to approve the sale.

Sincerely,

Elaine A. Harris

Elaine A. Harris
CWA International Representative

NICK J. RAHALL II
3RD DISTRICT, WEST VIRGINIA

09-0871-T-PC

COMMITTEE ON NATURAL RESOURCES
CHAIRMAN

COMMITTEE ON TRANSPORTATION
AND INFRASTRUCTURE
VICE-CHAIRMAN

Email: nrahall@mail.house.gov
Internet: http://www.house.gov/rahall

Congress of the United States
House of Representatives
Washington, DC 20515-4803

2307 RAYBURN BUILDING, WASHINGTON, DC 20515-4803

(202) 225-3452

301 PRINCE ST., BECKLEY, WV 25801-4898
(304) 252-5000

845 FIFTH AVE., ROOM 152
HUNTINGTON, WV 25701-2086
(304) 522-NICK

601 FEDERAL ST., ROOM 1005
BLUEFIELD, WV 24701-3033
(304) 325-6222

220 DINGESS ST.
LOGAN, WV 25601
(304) 752-4934

October 22, 2009

Mr. Michael A. Albert, Chairman
WV Public Service Commission
201 Brooks Street
P.O. Box 812
Charleston, WV 25323

1 Protest Original (s)
PUBLIC SERVICE COMMISSION
OF WEST VIRGINIA
OCT 23 2009
CHAIRMAN'S OFFICE

Dear Mr. Albert:

Enclosed you will find a copy of the letter I recently received from Ms. Debra Parsons regarding her opposition to the proposed Verizon-Frontier merger.

Since this matter is properly under your jurisdiction, I am referring it to you for your full consideration and response. Once you have reviewed this matter, please advise me through the Beckley district office at the address listed above.

Please know of my desire to be of service to you whenever possible and I hope you will feel free to call upon me anytime that I can be of assistance in any way.

With warm regards, I am

Sincerely,

NICK J. RAHALL, II
Member of Congress

NJR/kd

Enclosure

RECEIVED
2009 OCT 23 P 12:51
WV PUBLIC SERVICE
STATION
OFFICE



STATE OF WEST VIRGINIA
OFFICE OF THE ATTORNEY GENERAL
CHARLESTON 25305

DARRELL V. MCGRAW, JR.
ATTORNEY GENERAL

(304) 558-2021
FAX: (304) 558-0140

August 21, 2009

Michael A. Albert, Chairman
John W. McKinney, Commissioner
Edward H. Staats, Commissioner
West Virginia Public Service Commission
201 Brooks Street
Charleston, WV 25301

RECEIVED
09 AUG 27 PM 4:29
W VA PUBLIC SERVICE
COMMISSION
SECRETARY'S OFFICE

Re: Citizens Telecommunications Company of West Virginia d/b/a
Frontier Communications of West Virginia and Verizon West Virginia, Inc.
Case No. 09-0871-T-PC
Joint Petition for Consent and Approval of the Transfer of Verizon's
Local Exchange and Long Distance Business in West Virginia to
Companies to be Owned and Controlled by Frontier Communications

Dear Chairman Albert and Commissioners McKinney and Staats:

Reference is made to the above-captioned petition, which involves Verizon's proposed transfer of its wireline business to Frontier Communications. This letter should not be construed as a motion to intervene in the proceedings, but rather as an expression of concern and a brief discussion of the reasons therefor.

The following appear to be genuine issues for the Commission's consideration:

1. Service issues have been a recent problem for Verizon and are unlikely to be remedied by Frontier without significant inputs of cash.
2. Frontier may be undercapitalized due to lower credit ratings than Verizon.
3. The merger will likely result in increased unemployment.
4. The proposed transfer creates an unacceptable risk of labor issues.
5. Traditional antitrust analysis warrants extreme caution in considering the Joint Petition.

1. Service Issues May Go Unremedied

Frontier would inherit the Retail Service Quality Plan (the Plan) agreed to by Verizon, yet there does not appear to be a formal mechanism to require Frontier to adhere to the terms of the Plan. Should Frontier decide to comply with the Plan using its own strategies and approaches, without some guaranteed Commission oversight, consumers will bear the brunt of any non-compliance. This is unacceptable. Consumers in West Virginia have borne the brunt of questionable telephone service for years, and reportedly Verizon is having a difficult time honoring the Plan, especially since dozens of employees have retired or otherwise left the company following the announcement of the proposed transfer to Frontier.

During the past four years, this office has received approximately 300 complaints against Verizon and approximately 100 against Frontier, a ratio of 3-1 notwithstanding the fact that Verizon has over 4 times as many access lines as Frontier – 617,000 for Verizon compared to 144,000 for Frontier. Our understanding is that complaints against Verizon filed with the Commission resulted in the Commission's adoption of the Plan.

As part of any approval process, Frontier should be required to guarantee the Commission that it will comply with the terms of the Plan and Verizon should be required to guarantee Frontier's performance.

2. Frontier's Capitalization And Credit Rating.

Service issues can frequently be remedied by applying resources, specifically, people and money, to the underlying problem. A strong credit rating enables a company to borrow money at favorable rates. Standard & Poor's gives Frontier a BB credit rating while giving Verizon an A. Moody's and Fitch's also have similar ratings for Verizon and Frontier (A3 v. Ba2 and A v. BB, respectively). The cost of credit for Frontier is likely to be higher than the cost for Verizon would be, which will affect all of Frontier's operations.

This proposed transfer will encumber Frontier with significantly more debt – at least \$3 billion in additional debt. While Frontier's debt load is increasing, it will be expected to spend more money on infrastructure and compliance with Verizon's Retail Service Quality Plan. It will be extremely difficult for Frontier to implement its goals without additional money.

This additional money for infrastructure and compliance projects may not be easily found. Industry analysts expect access line erosion to continue which means lost income. Verizon has lost about one third of its access line customers in the past few years. If the line loss trend continues as expected, Frontier will likely need to increase prices to help service the debt burden that it is assuming as part of this deal. Consumers are likely to shoulder this burden.

RECEIVED
AUG 27 PM 4:30
PUBLIC SERVICE
COMMISSION
CLERK'S OFFICE

Frontier's strategy for stemming access line loss is to engage in more bundling of services and to expand the penetration of broadband availability in Verizon's current territory. Bundling of services can cause consumer prices to rise as they are essentially forced to pay for goods or services they do not want or need. Bundling certainly impacts competition. Many companies use bundling to prevent consumers from purchasing a less expensive or superior product or service from a competitor. As Frontier admits, bundling also helps retain customers.

Frontier said it would continue the free PC give-away program it has had in place for the past few years. Giving away computers costs money. Expanding broadband capabilities costs money. According to Standard & Poor's, Frontier's capital spending declined 9% in 2008, and Standard & Poor's expects a similar decline through 2009. Frontier is planning on funding the broadband expansion, in part by cutting its dividend rate by twenty-five cents a share and by having greater access to credit markets. Even if Frontier's balance sheet improves with the closing of the merger, it is unreasonable to expect its credit rating to improve to Verizon's level. Thus, Frontier's promise to expand broadband services to 90 percent of Verizon's service area from its current levels has a significant chance of being unattained.

Additionally, the proposed transaction is structured as a Reverse Morris Trust, which makes the deal tax free for Verizon. As the Commission is aware, Verizon consummated three other Reverse Morris Trust sales and all have had problems. (Prepared Direct Panel Testimony of McCarthy & Swatt, pp. 55-58.) Verizon spun off access lines in New England to FairPoint Communications in 2008; spun off access lines to Hawaiian Telcom (actually purchased by Carlyle Group) in 2005; and spun off its yellow pages unit to Idearc in 2006. Hawaiian Telcom and Idearc are in bankruptcy and FairPoint Communications is close behind. FairPoint's stock traded at \$9.44 per share in September of 2008. As of August 21, it was trading at 45 cents per share.

Frontier believes that its situation is different and that it will not have the same problems as FairPoint or Hawaiian Telcom. (McCarthy & Swatts, pp. 55-58.) Frontier will use its current systems (customer support, financial systems, operations) to take on the Verizon customers, in contrast to FairPoint and Hawaiian, which tried to develop new systems from scratch. Although Frontier emphasizes in the Joint Petition that it is a rural-focused company acquiring lines serving rural areas and small cities, it is also acquiring access lines in Seattle, Washington and Portland, Oregon, two large cities that are very different from Frontier's customary markets. We could have a bankrupt wireline telephone system serving West Virginia should Frontier suffer a fate similar to that of other Verizon spinoffs.

We ask this Commission to take great care in analyzing Frontier's financial ability to adequately serve the needs of the public.

3. The Merger Will Likely Result In Increased Unemployment

When companies merge, they typically reduce the total number of employees as they seek to exploit the efficiencies of the combined operations. Frontier, as the surviving company, will be no different. Frontier has a fiduciary duty to its shareholders to take advantage of all possible costs savings that it can. Unfortunately, this will leave more West Virginians unemployed. Many of these West Virginians are in rural parts of the state. Ironically, then, although they may eventually have access to broadband Internet, they may not be able to afford it.

While Frontier has agreed not to fire represented technicians and installers for a period of 18 months. There is no similar guarantee of employment of other represented employees or unrepresented employees. For unrepresented employees, Frontier is only guaranteeing to pay them the same base salary for a period of 12 months and provide similar bonus opportunities and benefits for the duration of the calendar year in which the deal closes (probably 2010). Thus, surviving employees can expect an impact on their compensation and benefits within one year of the merger.

In summary, West Virginia can expect to have its unemployment rolls increase immediately after the merger and then increase again 18 months later. There is no provision in the Joint Petition for any plan for out-placement or retraining services. Those burdens will fall on the affected individuals and the taxpayers of West Virginia. The Commission should ensure that these issues are addressed now rather than after the deal is closed.

4. The Merger May Cause Labor Problems

Verizon and Frontier currently have collective bargaining agreements in place with some of their employees. Frontier pays its represented employees less than Verizon pays its represented employees, Verizon being a much bigger company and better capitalized.

To its credit, Frontier has agreed to be bound by the collective bargaining agreements in place with Verizon. However, given all the circumstances, no one should be surprised if Frontier attempts to immediately renegotiate the agreements or does not renew the agreements when they expire. Frontier currently is engaged in such behavior. This past July, Frontier imposed a mandatory 12-day, unpaid furlough for all its represented employees. Unrepresented employees had already been furloughed. Because the Communication Workers of America contend that the furlough is in violation of the collective bargaining agreements, the CWA commenced a proceeding before the National Labor Relations Board, Case No. 11-CA-22352, to challenge Frontier's action. This proceeding continues.

Two other complaints have been lodged against Frontier with the NLRB by the Communications Workers of America, District 13. The CWA accuses Frontier of engaging in direct dealing and bypassing the union. Those complaints are under investigation as well.

Frontier exhibits similar behavior in other labor negotiations. If Frontier is successful in extracting concessions from labor in its Pennsylvania negotiations, many expenses will shift to the workforce that were previously the responsibility of Frontier. Covered employees will pay more for healthcare benefits; the pension plan will be frozen in favor of a 401(k) plan; and wages will be frozen in favor of a performance plan with Frontier judging the performance. Frontier also seeks to expand the use of non-represented contract labor while eliminating represented positions in its Pennsylvania negotiations.

None of this bodes well for West Virginia employees. Covered employees from Verizon will likely be performing similar duties and have similar responsibilities as employees from Frontier, yet Frontier employees will be earning less money than the former Verizon employees. If labor issues manifest themselves, there is likely to be an impact on Frontier's ability to deliver services and perform obligations under the Verizon Retail Service Quality Plan. Skilled Verizon employees already are leaving the company in numbers sufficient to adversely affect the Plan. This very issue is currently before the Commission.

None of the Joint Petition documents address how Frontier is going to integrate the represented work forces while complying with the Plan. The Commission should review this issue with utmost scrutiny.

5. Antitrust Analysis

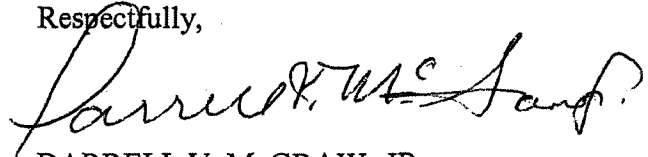
If not for the exemption contained in the West Virginia Antitrust Act, W. Va. Code § 47-18-5, this merger would be subject to criticism under traditional antitrust principles and would be highly suspect, since there will be no competition in wireline service in West Virginia. W. Va. Code §§ 47-18-3 and -4. Although Verizon has more than four times the number of access lines, Frontier could have been a serious competitor to Verizon if the public convenience and necessity warranted the additional service in Verizon's operating areas and Frontier had a desire to expand its business. The benefits of competition to consumers usually include lower prices, better service and more variety of goods and services.

The antitrust laws generally seek to preserve and enhance competition or potential competition. W. Va. Code § 47-18-4. Thus, Frontier's statement that no competitors will be eliminated in the proposed merger areas of West Virginia (McCarthy & Swatt, pp. 35-36) is technically correct but not the whole picture. Verizon and Frontier have no current overlap of local exchanges; however, any potential competition to Verizon from Frontier will be lost. This is one of the traditional concerns of antitrust law.

August 21, 2009
Page 6

In conclusion, the Commission is urged to give this proposed merger heightened scrutiny since most of the population of West Virginia will feel the impact if the deal closes.

Respectfully,

A handwritten signature in black ink, appearing to read "Darrell V. McGraw, Jr.", written in a cursive style.

DARRELL V. McGRAW, JR.
ATTORNEY GENERAL

DVM/jy



OFFICE OF
CITY MANAGER

CITY OF CLARKSBURG

WEST VIRGINIA

1 Protest Original (s)

November 20, 2009

Ms. Sandra Squire, Executive Secretary
Public Service Commission of West Virginia
201 Brooks Street
Charleston, WV 25301

09 NOV 23 AM 11:24
RECEIVED
W VA PUBLIC SERVICE
COMMISSION
SECRETARY'S OFFICE

RE: Case Number: 09-0871-T-PC, Transfer of Verizon's local exchange and long distance business in West Virginia to Frontier Communications

Dear Executive Secretary Squire,

Verizon's proposed transfer of its local exchange and long distance business in West Virginia to Frontier Communications threatens West Virginia's economic future by placing our phone and Internet service in the hands of a financially shaky company that won't be able to keep up with our state's growing needs.

As City Manager of Clarksburg, I am especially concerned that whatever company owns and operates the telecommunications assets of our state has sufficient resources, both human and financial, to invest in modernizing the network at a pace that will meet the rapidly evolving needs of residents, businesses and institutions throughout West Virginia.

The Public Service commission must ensure that the network has the ability to deliver technologically-advanced services, including broadband, throughout West Virginia. We need a strong partner as we work to connect all the citizens of the state to the digital economy. At the same time, it is also important to ensure that our most vulnerable citizens, who rely on basic local service as a lifeline, have affordable access to that service.

There are serious concerns regarding the risks associated with the transaction, in particular the large amount of debt that Frontier will incur to pay Verizon while it simultaneously plans to cut operating expenses by \$500 million a year.

Our state must not be left behind as large, regulated telecommunications companies attempt to divest themselves of their landline networks – networks that our citizens have paid for over many decades, and upon which they rely for basic living and economic activities. Verizon sold its landlines in northern New England in a similar deal to

Rm

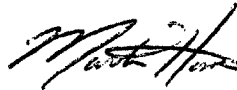
FairPoint Communications. Despite many promises for an improved network, FairPoint is now in bankruptcy and service quality there has deteriorated.

The Public Service Commission's staff, the Consumer Advocate division and several other telecommunications companies have all submitted testimony opposing the proposed deal. In the end, the Verizon – Frontier transaction must be for the public good, and all of the serious concerns raised must be addressed in a way that protects the interest of our state and its citizens. West Virginia will be better off with Verizon than it will be with Frontier.

I strongly believe that it is not worth the risk to approve this transaction because the dangers outweigh any purported public interest benefits. I urge the Commission not to approve the sale.

If you have any questions or if I can be of any further assistance please don't hesitate to contact me at your convenience. I can be reached Monday through Friday from 8 a.m. to 4:30 p.m. at (304) 624-1677 or by email at mhowe@cityofclarksburgwv.com.

Sincerely,

A handwritten signature in black ink, appearing to read "Martin Howe", written in a cursive style.

Martin Howe
City Manager

cc: The Honorable Mayor and City Council Members



09-0871-T-PC ✓

Michael A. Albert, Chairman
WV Public Service Commission
201 Brooks Street
Charleston, WV 25301

January 6, 2010

1 Protest Original (s)

Dear Chairman Albert:

I am writing on behalf of the West Virginia Nurses Association to convey our organization's opposition to the proposed sale of Verizon landline telephone operations to Connecticut based Frontier Communications. The effects of such a sale would not only be disastrous for West Virginia communications in general but also particularly catastrophic for efforts to provide healthcare to our state's rural areas.

Frontier's acquisition of Verizon's landline operations would jeopardize the stellar quality of service on which so many West Virginians rely. Verizon is currently the nation's top ranked broadband service provider. A recent study shows that Frontier places near the bottom of every category in a consumer satisfaction survey. The sale of established communications operations to smaller upstart companies does not generally bode well for the public. Just last October, FairPoint Communications, which purchased Verizon's operations to rural customers in 18 states, filed for bankruptcy after being unable to overcome the massive debt it acquired in its purchase of Verizon's rural operations. Should the sale of Verizon's West Virginia operations proceed, Frontier will incur debt in excess of \$3.3 billion.

What is most troublesome about the proposed sale is that it could jeopardize rural West Virginians access to emergency medical care. In many areas of our state the exclusive mode of outside communications lie with Verizon's landline services. Should a medical emergency occur, a person living in such a region would be unable to access emergency medical care providers were it not for a landline telephone. Thus the Public Service Commission should scrutinize whether small, untested, Connecticut based Frontier can adequately repair and restore service to West Virginia residents in the event of an outage.

I thank you very much for taking the time to read my letter. I hope you understand the grave effects a sale of Verizon to Frontier Communications would have on our state. I implore you to represent the interests of West Virginians and deny the proposed sale.

Sincerely,

Beth Baldwin

Beth Baldwin
President, West Virginia Nurses Association

SECRETARY'S OFFICE
COMMISSION
WVA PUBLIC SERVICE

2010 JAN 8 PM 3 20

RECEIVED

Am

106 White Street
Apartment E
Charleston, WV 25302-4941
13 November 2009

Sandra Squire, Executive Secretary
Public Service Commission of West Virginia
201 Brooks Street
Charleston, WV 25301-1803

RECEIVED
2009 NOV 16 P 12:43
WVA PUBLIC SERVICE
COMMISSION
SECRETARY'S OFFICE

Dear Ms. Squire:

As a concerned citizen, taxpayer and member of the Kanawha County Democratic Executive Committee, I write in opposition to the proposed sale by Verizon of its West Virginia operations to Frontier.

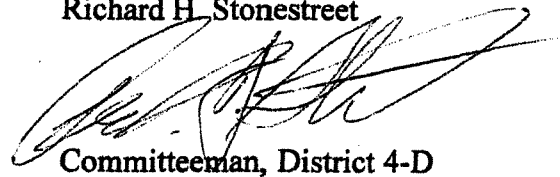
I am naturally skeptical whenever a larger company sells its operations to a smaller one, questioning whether the smaller company has the resources and know-how to continue the services of the larger one. This is especially true when the services rendered are to the public.

In at least two other instances in which Verizon sold its operations to smaller companies, those companies went bankrupt: FairPoint, which bought Verizon's operations in northern New England; and Hawaiian Telecom, which bought Verizon's operations in Hawaii. Neither FairPoint nor Hawaiian Telecom was able to maintain the former Verizon operations.

It is imperative that the Public Service Commission scrutinize this proposal to determine whether or not Frontier is yet another company that is unable to maintain Verizon's operations. That scrutiny, I firmly believe, will result in a determination that the proposed sale is bad for the people of West Virginia.

Thank you.

Richard H. Stonestreet



Committeeman, District 4-D
Kanawha County Democratic
Executive Committee



STEELWORKERS ORGANIZATION OF ACTIVE RETIREES

1 Protest Original (s)

SOAR Chapter 23-4
James E Smith President
712-716 Buffington St.
Huntington, WV 25702

November 12, 2009

West Virginia Public Service Commission
Sandra Squire
P O Box 812
Charleston, WV 25323

RE: Case # 09-0871-T-PC

Dear Ms. Squire,

I am writing you to voice our membership's opposition to the pending sell of Verizon to Frontier Communications. Our chapter of SOAR (Steelworkers Organization of Active Retirees) represents several hundred retired Steelworkers and their spouses here in West Virginia as well as Ohio and Kentucky. We fear that Frontier Communications is too small of a company to take over this utility service and will result in decreased service and ultimately lead to a merge with another company or bankruptcy. While it may be good for shareholders of Frontier Communications it would be bad for the public and our community.

As most of our membership worked for Huntington Alloys we are painfully aware of what can happen when the sell of this kind takes place. We were purchased by Special Metals, which was unable to provide the same quality and service to their customers and as a result took bankruptcy. This devastated our retiree's pensions and health insurance. We fear the same for our brothers and sisters with the Communication Workers of America that represent the hundreds of Verizon employees and their retirees.

In closing I would again ask the Commission not to allow this deal to go through and on behalf of our membership oppose this sell, case # 09-0871-T-PC.

Respectfully,

James E Smith
President SOAR Chapter 23-4

RECEIVED
2009 NOV 13 AM 8 50
W VA PUBLIC SERVICE
COMMISSION
SECRETARY'S OFFICE

Date: November 10, 2009

Ms. Sandra Squire, Executive Secretary
Public Service Commission of West Virginia
201 Brooks Street
Charleston, WV 25301

5 Protest Original (s)

RECEIVED
2009 NOV 10 P 12:46
WVA PUBLIC SERVICE
COMMISSION
SECRETARY'S OFFICE

RE: Case Number: 09-0871-T-PC, Transfer of Verizon's local exchange and long distance business in West Virginia to Frontier Communications

Dear Executive Secretary Squire,

Verizon's proposed transfer of its local exchange and long distance business in West Virginia to Frontier Communications threatens West Virginia's economic future by placing our phone and Internet service in the hands of a financially shaky company that won't be able to keep up with our state's growing needs.

As an elected official, I am especially concerned that whatever company owns and operates the telecommunications assets of our state has sufficient resources, both human and financial, to invest in modernizing the network at a pace that will meet the rapidly evolving needs of residents, businesses and institutions throughout West Virginia.

The Public Service Commission must ensure that the network has the ability to deliver technologically-advanced services, including broadband, throughout West Virginia. We need a strong partner as we work to connect all of the citizens of the state to the digital economy. At the same time, it is also important to ensure that our most vulnerable citizens who rely on basic local service as a lifeline have affordable access to that service.

There are serious concerns regarding the risks associated with the transaction, in particular the large amount of debt that Frontier will incur to pay Verizon while it simultaneously plans to cut operating expenses by \$500 million a year.

Our state must not be left behind as large, regulated telecommunications companies attempt to divest themselves of their landline networks - networks that our citizens have paid for over many decades, and upon which they rely for basic living and economic activities. Verizon sold its landlines in northern New England in a similar deal to FairPoint Communications. Despite many promises for an improved network, FairPoint has recently filed for bankruptcy because of its massive debt and service quality there has deteriorated.

In the end, the Verizon - Frontier transaction must be for the public good, and all of the serious concerns raised must be addressed in a way that protects the interest of our state and its citizens. West Virginia will be better off with Verizon than it will be with Frontier.

I strongly believe that it is not worth the risk to approve this transaction because the dangers outweigh any purported public interest benefits. I urge the Commission not to approve the sale.

Sincerely, 

NORRIS T. LIGHT, CHAIRMAN
KANAWHA COUNTY DEMOCRATIC PARTY
P.O. BOX 95
MIAMI, WV 25134



AARP West Virginia T 1-866-227-7458
300 Summers Street F 304-344-4633
Suite 400 TTY 1-877-434-7598
Charleston, WV 25301 www.aarp.org/v

December 1, 2009

Michael A. Albert, Chairman
John W. McKinney, Commissioner
Edward H. Staats, Commissioner
West Virginia Public Service Commission
201 Brooks Street
Charleston, WV 25301

RE: Case No. 09-0871-T-PC

Citizens Telecommunications Company of West Virginia d/b/a
Frontier Communications of West Virginia and
Verizon West Virginia, Inc.
Joint Petition for Consent and Approval of the Transfer of Verizon's
Local Exchange and Long Distance Business in West Virginia to
Companies to be Owned and Controlled by Frontier Communications

Dear Chairman Albert and Commissioners McKinney and Staats:

AARP West Virginia submits the following comments regarding the proposed sale and transfer of Verizon's West Virginia telephone exchanges to Frontier Communications. AARP is a non-profit, nonpartisan membership organization for people aged 50 and over. There are more than 312,000 AARP members living in the state of West Virginia. AARP has a strong commitment to ensuring consumers have access to affordable, high quality telecommunications services. AARP is particularly concerned with the impact of this transaction on mid-life and older West Virginians relying on basic telephone services meet their needs, as well as those seeking access to affordable broadband services.

The proposed transaction is an \$8.6 billion deal involving Frontier Communications' purchase of Verizon's local telephone service operations in 14 states, including West Virginia. If consummated, the deal would triple the size of Frontier's operations overnight. In fact, West Virginia is the state most impacted by the deal: over 600,000 residential and small business phone lines in our state would change hands, and combined with Frontier's existing operations, West Virginia would become the largest state in the new Frontier service territory. Therefore any negative impact the transaction has on rates, service quality, customer service, and/or access to broadband and other new services will be most acutely felt in our state.

The financial risks of this transaction are significant and could directly impact rates and services for consumers. Frontier is proposing to take on \$3 billion in debt and triple its operations, all in the middle of an economic slowdown. According to published reports Frontier has not disclosed all of its financing terms for the new debt it will take on. At the same time the Verizon operations that will be acquired are subject to a recently adopted \$11 service improvement plan, which is the result of years of customer complaints about poor service quality. Critics question whether Frontier can take on so much new debt under reasonable financing terms and can generate enough revenue to improve Verizon's system and meet its promises for broadband expansion, all while the country struggles under a recession. If any of the company's assumptions about financing, efficiencies and revenues proves wrong, the consequences will be devastating for our state—including rate increases, deteriorating service or both.

AARP's concerns are a result of our members' experiences in other states where Verizon has also sold its local telephone service operations. The pending transaction is similar in many respects to Verizon's sale of its landline operations in Hawaii, Maine, Vermont and New Hampshire. These transactions were as controversial as the current Frontier deal, and were closely scrutinized by regulators. AARP filed comments with the Vermont Public Service Board, the Public Utilities Commission of New Hampshire, and the Federal Communications Commission regarding the FairPoint transaction in the New England state. In our comments we raised concerns regarding the size of the transaction, FairPoint's ability to keep its promises regarding investments, the impact on customer service and service quality and the impact on rates. Our comments suggested that FairPoint, a significantly smaller company than Verizon, might have difficulties investing in ongoing maintenance and repair of its basic network, much less meeting commitments to expand broadband. AARP expressed our concern that residential customers might see deterioration in service quality and reliability and could experience rate increases. After months of hearings state regulators conditioned their approval on detailed conditions addressing important residential consumer issues such as rates, customer service, service quality and access to broadband and other new services.

Despite regulators best efforts, most of the concerns raised by AARP and other consumer advocates have come to fruition in the northern New England states and Hawaii. In New England, FairPoint is struggling financially and the possibility of filing for bankruptcy protection has been openly discussed. Across all three states FairPoint has lost a significant share of customers, and continue to do so amid complaints about poor customer service and service quality that include long delays for service repair and installation. FairPoint has also failed to meet its commitments for investment in broadband.

In what may be an unprecedented move, regulators from the three states held a joint meeting to question FairPoint executives regarding the company's plan for improving service and meeting its other commitments. Anne Ross, general counsel for the New Hampshire Public Utilities Commission, quoted in an Associated Press Story on September 7 said, "This level of service and operational and financial problems is unprecedented, at least in the last 20 years, especially in a company of this size." Similar problems have occurred in Hawaii, where Hawaiian Telecom, the company that took over Verizon operations, filed for bankruptcy last December.

AARP strongly urges the Commission to ensure that the Frontier transaction does not put customers at risk of rate increases and deterioration in service quality. Promises made regarding expanded investment in infrastructure must be met in a timely manner.

Specific, enforceable commitments accompanied by timelines and meaningful penalties are crucial, and should be part of any approval of a transaction of this size and nature. However, the experience in Maine, New Hampshire and Vermont shows that even when regulators conditioned their approval of the sale on FairPoint meeting specific commitments and timelines, including fines for failure to meet these commitments, the company has nonetheless failed to do so. Many suggest this is because assumptions about the financing and representations made about the ability of a smaller company to take on Verizon's customers were overly optimistic, to say the least.

Residential customers rely on their local service for critical and essential communications services. The potential harm from this deal gone wrong would be devastating. AARP strongly urges the Commission to act deliberately and scrutinize the company's filings carefully. The sale and transfer should be rejected if there is any doubt that the financing would jeopardize Frontier's ongoing ability to provide quality service at just and reasonable rates to consumers and to meet its promises for expanded broadband coverage.

Thank you for your time and consideration.

Respectfully,

A handwritten signature in black ink, appearing to read "Gaylene A. Miller". The signature is fluid and cursive, with a large, stylized "M" at the end.

Gaylene A. Miller
Senior State Director
AARP West Virginia



West Virginia Troopers Association, Inc.

210 Chesapeake Avenue • Charleston, West Virginia 25311
Telephone 345-WVTA • Fax 345-9884

wvtaoffice@aol.com

www.wvtroopers.org



November 30, 2009

Ms. Sandra Squire, Executive Secretary
Public Service Commission of West Virginia
201 Brooks Street
Charleston, WV 25301

Protest Original (s)

RECEIVED
09 DEC -2 PM 12:24
W VA PUBLIC SERVICE
COMMISSION
SECRETARY'S OFFICE

RE: Case Number: 09-0871-T-PC, Transfer of Verizon's local exchange and long distance business in West Virginia to Frontier Communications

Dear Executive Secretary Squire:

Verizon's proposed transfer of its local exchange and long distance business in West Virginia to Frontier Communications threatens West Virginia's economic future by placing our phone and Internet service in the hands of a financially shaky company that won't be able to keep up with our state's growing needs.

As police officers and first responders, we are especially concerned that whatever company owns and operates the telecommunications assets of our state has sufficient resources, both human and financial, to invest in modernizing the network at a pace that will meet the rapidly evolving needs of residents, businesses and institutions throughout West Virginia.

The Public Service Commission must ensure that the network has the ability to deliver technologically-advanced services, including broadband, throughout West Virginia. We need a strong partner as we work to connect all of the citizens of the state to the digital economy. At the same time, it is also important to ensure that our most vulnerable citizens who rely on basic local service as a lifeline, have affordable access to that service.

The problems with 911 service that other states have experienced after their landlines were sold by Verizon are of particular concern to an organization of first responders like ours.

There are serious concerns regarding the risks associated with the transaction, in particular the large amount of debt that Frontier will incur to pay Verizon while it simultaneously plans to cut operating expenses by \$500 million a year.

Verizon sold its landlines in northern New England in a very similar deal to FairPoint Communications. Despite many promises for an improved network, FairPoint is now in bankruptcy and service quality there has deteriorated. Our state must not be left behind as large,

WV

regulated telecommunications companies attempt to divest themselves of their landline networks -- networks that our citizens have paid for over many decades, and upon which they rely for basic living and economic activities.

Opposition to the multi-state deal is building across the country as more state consumer advocates and utility regulators investigate the details of the deal and its possible effects on their state communication networks. The decision of West Virginia Consumer Advocate Division and the PSC staff to urge rejection of the deal follows in the footsteps of other state consumer advocates who have drawn similar conclusions.

Illinois Attorney General Lisa Madigan recommended the Illinois commission reject the deal. In Ohio, Consumer Counsel Janine Migden-Ostrander expressed reservations about the deal and cited the "lack of specific benefits for consumers" as the reason. In Washington, the staff of the state's Utilities and Transportation Commission and the Public Counsel urged rejection of the deal. The Washington Public Counsel cited the "weak financial condition for Frontier due to the amount of debt the company will assume" as one of its reasons for urging rejection. Oregon's utility commission also recommended the deal be rejected.

In the end, the Verizon - Frontier transaction must be for the public good, and all of the serious concerns raised must be addressed in a way that protects the interest of our state and its citizens. West Virginia will be better off with Verizon than it will be with Frontier.

The West Virginia Troopers Association strongly believes that it is not worth the risk to approve this transaction because the dangers outweigh any purported public interest benefits. We urge the Commission not to approve the sale.

Sincerely,



John W. Smith, Jr., President
West Virginia Troopers Association

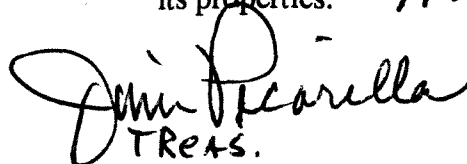

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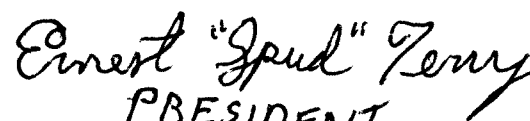
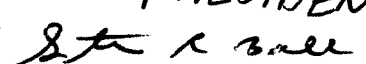
West Virginia Alliance for Retired Americans

Resolution regarding the proposed sale of Verizon's landlines to Frontier Communications

- Whereas:** Verizon wants to sell its landline operations in West Virginia, along with 13 other states, to Frontier Communications; and
- Whereas:** Out of the 14 states, West Virginia has the largest number of consumers who will be impacted by the proposed sale; and
- Whereas:** Verizon has completed similar sales of its wire line operations in New England and Hawaii to the detriment of the consumers involved as the purchasing companies in both cases are now bankrupt; and
- Whereas:** Most regulatory experts have said Frontier does not have the financial or operational capacity to improve service quality or expand access to high speed Internet; and
- Whereas:** Frontier plans to limit its broadband investment to DSL technology instead of fiber optic cable to the home, which is much faster and more dependable; and
- Whereas:** According to the FCC, nearly 60 percent of homes in West Virginia lack broadband access; and
- Whereas:** West Virginia ranks 33rd in the nation in real-time Internet connection speeds; and
- Whereas:** Verizon chose Frontier as a buyer because it can take advantage of a tax loophole to avoid paying taxes on its \$3.3 billion profit and, if approved, taxpayers will in effect subsidize Verizon abandoning its operations; and
- Whereas:** It is essential that our most vulnerable citizens who rely on basic local service and "911" as a lifeline have affordable and dependable access to that service; and
- Whereas:** The West Virginia Consumer Advocate and the Public Service Commission staff have urged rejection of the deal.

Therefore, be it resolved: The West Virginia Alliance for Retired Americans calls on the West Virginia Public Service Commission to reject Verizon's petition to sell its properties. 11-20-09


TREAS.

Secretary


PRESIDENT

EX. V. P.

Ms. Sandra Squire, Executive Secretary
Public Service Commission of West Virginia
201 Brooks Street
Charleston, WV 25301

Date:

RECEIVED
09 DEC 18 AM 11:34
WV PUBLIC SERVICE
COMMISSION
SECRETARY'S OFFICE

1 Protest Original (s)

RE: Case Number: 09-0871-T-PC, Transfer of Verizon's local exchange and long distance business in West Virginia to Frontier Communications

Dear Executive Secretary Squire,

Verizon's proposed transfer of its local exchange and long distance business in West Virginia to Frontier Communications threatens West Virginia's economic future by placing our phone and Internet service in the hands of a financially shaky company that won't be able to keep up with our state's growing needs.

As an elected official, I am especially concerned that whatever company owns and operates the telecommunications assets of our state has sufficient resources, both human and financial, to invest in modernizing the network at a pace that will meet the rapidly evolving needs of residents, businesses and institutions throughout West Virginia.

The Public Service Commission must ensure that the network has the ability to deliver technologically-advanced services, including broadband, throughout West Virginia. We need a strong partner as we work to connect all of the citizens of the state to the digital economy. At the same time, it is also important to ensure that our most vulnerable citizens who rely on basic local service as a lifeline have affordable access to that service.

There are serious concerns regarding the risks associated with the transaction, in particular the large amount of debt that Frontier will incur to pay Verizon while it simultaneously plans to cut operating expenses by \$500 million a year.

Our state must not be left behind as large, regulated telecommunications companies attempt to divest themselves of their landline networks - networks that our citizens have paid for over many decades, and upon which they rely for basic living and economic activities. Verizon sold its landlines in northern New England in a similar deal to FairPoint Communications. Despite many promises for an improved network, FairPoint has recently filed for bankruptcy because of its massive debt and service quality there has deteriorated.

In the end, the Verizon - Frontier transaction must be for the public good, and all of the serious concerns raised must be addressed in a way that protects the interest of our state and its citizens. West Virginia will be better off with Verizon than it will be with Frontier.

I strongly believe that it is not worth the risk to approve this transaction because the dangers outweigh any purported public interest benefits. I urge the Commission not to approve the sale.

Sincerely,

Naomi F. Jaynes



Ms. Naomi F. Jaynes
100 Anderson Dr.
Dunbar, WV 25064-1202

Kan. Co. Dem. Exec. Com.

TOWN OF BELLE

MAYOR
LARRY CONLEY

1100 E. DUPONT AVE. PO BOX 697
BELLE, WV 25015
PHONE 304-949-3814 FAX 304-949-5616

1 Protest Original (s)

Date: November 10, 2009

Ms. Sandra Squire, Executive Secretary
Public Service Commission of West Virginia
201 Brooks Street
Charleston, WV 25301

Re: Case Number: 09-0871-T-PC, Transfer of Verizon's local exchange and long distance business in West Virginia to Frontier Communications.

Dear Executive Secretary Squire,

Verizon's proposed transfer of its local exchange and long distance business in West Virginia to Frontier Communications threatens West Virginia's economic future by placing out phone and Internet service in the hands of a financially shaky company that won't be able to keep up with our state's growing needs.

As an elected official, I am especially concerned that whatever company owns and operates the telecommunications assets of our state has sufficient resources, both human and financial, to invest in modernizing the network at a pace that will meet the rapidly evolving needs of residents, businesses and institutions throughout West Virginia.

The Public Service Commission must ensure that the network has the ability to deliver technologically-advanced services, including broadband, throughout West Virginia. We need a strong partner as we work to connect all of the citizens of the state to the digital economy. At the same time, it is also important to ensure that our most vulnerable citizens who rely on basic local service as a lifeline have affordable access to that service.

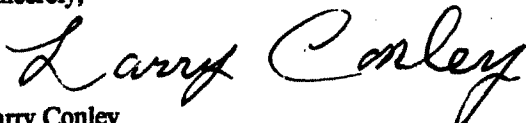
There are serious concerns regarding the risks associated with the transaction, in particular the large amount of debt that Frontier will incur to pay Verizon while it simultaneously plans to cut operating expenses by \$500 million a year.

Our state must not be left behind as large, regulated telecommunications companies attempt to divest themselves of their landline networks-networks that our citizens have paid for over many decades and upon which they rely for basic living and economic activities. Verizon sold its landlines in northern New England in a similar deal to FairPoint Communications. Despite many promises for an improved network, FairPoint has recently filed for bankruptcy because of its massive debt and service quality there has deteriorated.

In the end, the Verizon-Frontier transaction must be for the public good, and all of the serious concerns raised must be addressed in a way that protects the interest of our state and its citizens. West Virginia will be better off with Verizon than it will be with Frontier.

I strongly believe that it is not worth the risk to approve this transaction because the dangers outweigh any purported public interest benefits. I urge the Commission not to approve the sale.

Sincerely,



Larry Conley
Mayor

RECEIVED
2009 NOV 12 P 2:14
WVA PUBLIC SERVICE
COMMISSION
OFFICE

Tashua M. Allman, Mayor
City of Glenville
20 N. Court Street
Glenville, WV 26351

09-0871-T-PC

1 Protest Original (s)

RESOLUTION REGARDING THE PROPOSED SALE OF
VERIZON'S LANDLINES TO FRONTIER COMMUNICATIONS

Whereas: Verizon wants to sell its landline operations in West Virginia, along with 13 other states, to Frontier Communications; and

Whereas: Out of the 14 states, West Virginia has the largest number of consumers who will be impacted by the proposed sale; and

Whereas: Verizon has completed similar sales of its wire line operations in New England and Hawaii to the detriment of the consumers involved as the purchasing companies are either bankrupt or face bankruptcy; and

Whereas: Most regulatory experts have said Frontier does not have the financial or operational capacity to improve service quality or expand access to high speed Internet; and

Whereas: Frontier plans to limit its broadband investment to DSL technology instead of fiber optic cable to the home, which is much faster and more dependable; and

Whereas: According to the FCC, nearly 60 percent of homes in West Virginia lack broadband access; and

Whereas: West Virginia ranks 33rd in the nation in real-time Internet connection speeds; and

Whereas: Verizon chose Frontier as a buyer because it can take advantage of a tax loophole to avoid paying taxes on its \$3.3 billion profit and, if approved, taxpayers will in effect subsidize Verizon, abandoning its operations.

Therefore, be it resolved: The City of Glenville calls on the West Virginia Public Service Commission to deny Verizon's petition to sell its properties.

Tashua M. Allman, Mayor
12-7-09

09-087FE (N)

jamón organization

• The greatest investment on earth ... is earth •

Prime
Investment Grade
Real Estate

2106 Kanawha Blvd E. Suite 108
Charleston WV 25311

304-345-5000
Fax 304-345-6816

December 21, 2009

1 **Protest Original (s)**

Attention: Verizon Customer Service and Complaint Department

From: Bill Ellis, Managing Member, Jamon Organization



Reference

Account #: Account Name: Jamon Organization Phone #: 888-496-9898

When I phoned for an explanation as to why we were billed a onetime charge of \$754.32 I was told that I agreed to a verbal contract three years ago, which is psychobabble for "we are going to screw you out of as much as we can since you canceled your service for cause."

<> Cause #1: The Verizon DSL service was so sporadic that we could not count on it working when we needed it the most.

<> Cause #2: Verizon was offering incentives to win new customers that they would not offer us or as you referred to in the enclosed letter "a valued customer."

<> Cause #3: When we explained that your competitor Suddenlink was offering to bundle high-speed internet and phone service for substantially less money than Verizon, you acted indifferent as if "we dare you to take your business elsewhere."

We did take our business elsewhere and in the process saving more than 30% with high speed internet service and better phone service. Moreover the Suddenlink high speed internet works 100% of the time at a much higher download speed than Verizon DSL.

Now you have the gall to send us an invoice for \$754.32 alleging that we agreed to a verbal contract, to which I say, "Send us the recording of that conversation."

The enclosed "win back letter" really speaks to just how out of touch with reality Verizon really is. You are now offering to win us back with prices and service that you wouldn't offer when you had us as a "valued customer." To a small business like ours who really does value every single customer, this makes absolutely no sense whatsoever. Tell me – are you certain the head of Verizon marketing and customer relations department are not managed by the Three Stooges (Larry, Curley or Moe)?

Again, remove this bogus charge from our bill and send written confirmation. Otherwise you will leave this debt on the books so Frontier will think they are buying a good asset, which they are not. If I were Frontier I would multiply the \$754.32 by 100's of thousands of Verizon customers who you have treated likewise to create artificially high and bogus accounts receivables on Verizon books.

When Frontier takes over Verizon and they find out they paid for bogus accounts receivables they have two choices: turn the bad debts receivables over to a collection agency and/or take a huge bad debt write-down, either way the Frontier CFO has to explain to the CEO who has to explain to shareholders and lenders how Frontier did not do their due diligence when valuing the true assets of Verizon. But now you have one more level of explaining to do and that is to your real boss "Socialist in Chief" Barack Obama.

BM

Copy to:

Mike Albert, Chairman and Commissioner <> West Virginia Public Service Commission
Mary Agnes (Maggie) Wilderotter, Chairman, President & CEO <> Frontier Communication
Ivan G. Seidenberg, Chairman & CEO <> Verizon Communications Inc.

Mr. Michael Albert, Chairman and Commissioner
West Virginia Public Service Commission
201 Brook Street
Charleston WV 25301

Mrs. Mary Agnes (Maggie) Wilderotter, Chairman, President, and CEO
Frontier Communications Corporation
3 High Ridge Park
Stamford, CT 06905-1390

Mrs. Ivan G. Seidenberg, Chairman & CEO
Verizon Communications Inc.
140 West St.
New York, NY 10007



Billing Date: 11/19/09 Page 4 of 6
Telephone Number: 888 496-9898
Account Number:
How to Reach Us: See page 2

Additions and Changes to Verizon Service(s) - Summary

This is an Informational Summary

Number	Pro-Rated	One-Time	Amount
888 496-9898	.00	754.32	754.32
Total		754.32	754.32

Additions and Changes Verizon Service(s) - Detail

- Total Credits are \$.00
- Total Debits are \$754.32

- Activity on 888 496-9898
- Service Request 443443961
- Minimum Guarantee not met, Effective on Nov 19, 2009

Description	#	Qty	Pro-Rated	One-Time	Amount
1. CustopAK Term 36 Months Termination Charge		1		754.32	754.32

- Removed from Monthly Service from Nov 20, 2009 thru Dec 9, 2009

Description	Qty	Pro-Rated	One-Time	Amount
2. CustopAK Term 36 Months .00 Per Month	1	.00		.00
Total for 888 496-9898			754.32	754.32

Total Additions and Changes to Verizon Service(s) **\$754.32**

Tax, Surcharges and Other Fees

- Surcharges

Description	Amount
3. WV Local Tax	15.09
Total Verizon Tax, Surcharges and Other Fees	\$15.09

P.O. Box 153009
Irving, TX 75015-3009

Wilma Ellis
Jamon Organization, Inc.
PO Box 1513
Charleston, WV 25325-1513



**Come back to Verizon today
and get special money-saving
offers for:
Wilma Ellis
Jamon Organization, Inc.**

Dear Business Owner:

Today, we are writing because we are always concerned when we lose a valued customer. We recognize you've chosen to switch your service to another provider and we are sorry to have seen you go.

Of course, we realize you had reasons to leave us and, in light of this, we want you to know that we are committed to providing your business with the highest quality of service, support and reliability. Our Verizon representatives are always available to work with you to select the right service package that can better meet your business's individual needs and make your money work harder.

We also offer a variety of bundled packages such as High Speed or Verizon FiOS® Internet for Business and Unlimited Nationwide Calling. It's the perfect time to come back to Verizon and get your business everything it needs to boost productivity — and stay within budget.

Please call a Verizon Small Business Specialist today at **1.888.240.9901**.

We look forward to having you return as one of our valued Small Business customers.

Sincerely,

A handwritten signature in black ink that reads "Michael McLaughlin". The signature is fluid and cursive, with the first name being more prominent.

Michael McLaughlin
Director, Business Marketing